Viessmann Realizes World's Biggest SAP S/4HANA Transformation in Manufacturing Industry

International energy system manufacturer Viessmann has successfully implemented a high-speed transition to an all-new digital future platform based on SAP S/4HANA, going live in one 'big bang'.

VIESSMANN

About Viessmann

The Viessmann Group, headquartered in the German city Allendorf (Eder) is one of the world's leading energy system manufacturers.

The group offers a comprehensive range of products and services covering heating, industrial, refrigeration, photovoltaic, and electrical systems.

A family enterprise, the Viessmann Group was founded in 1917 and today has more than 12,000 employees and annual revenue of 2.5 billion EUR. With 23 production companies in 12 countries, distribution centers and representative offices in 74 countries and 120 sales offices worldwide, Viessmann is truly international in its orientation.

Short Facts

- The Viessmann Group, one of the world's leading energy systems manufacturers, has, with the support of cbs Corporate Business Solutions, completed its transition to an all-new digital future platform based on SAP S/4HANA.

- The complex project represents the biggest S/4 transformation to date in the global manufacturing industry using the selective data transition approach. It took just 18 months to complete.

- The go-live was implemented in a big bang over the course of one weekend, migrating a total of 28 production units in 34 countries to S/4HANA as well as 78 international sales organizations.

- There were a total of 190 company codes and 30 billion data records to be transferred. More than 6,000 users worldwide were affected by the transition, which was implemented with near-zero downtime without impacting production or shipping.

Author Rainer Wittwen, cbs Corporate Business Solutions

Rainer Wittwen is member of the Executive Board at cbs Corporate Business Solutions

True to its tradition as a pioneer, Viessmann is currently in the process of digital transformation. This places a considerable demand on the IT department, which has to implement the latest business requirements in a highly dynamic manner.

It therefore made sense for the department to start planning the industrial company's upcoming transition to S/4 as early as possible. Viessmann wanted to ensure that its IT platform was fully prepared for the digital age in global markets. The aim was to establish a digital core and use best practices based on SAP S/4HANA to harmonize and standardize business processes worldwide.

The Viessmann Group and digital transformation

At Viessman, processes change at high speed and the IT infrastructure has to keep pace. In the future, implementing new, leaner processes in the company will go much faster thanks to the new S/4HANA platform.

"We could not have afforded a long and drawn out business project lasting five years or more. For a global player like Viessmann, S/4 transformation represents a business-critical future project of strategic significance.

At the same time, it was the biggest IT project in Viessmann company history. So it is something of a quantum leap to be able to actually complete a project of this magnitude in the shortest of time frames and at a fraction of the cost," explains Dr. Harald Dörnbach, managing director of Viessmann IT Service.

A selective, custom approach to transformation

Viessmann opted for the selective 's.m.a.r.t. Green' approach developed by cbs Corporate Business Solutions. With an upgrade (system conversion) approach, all existing processes and data would have had to be transferred 1:1, including in-house developments and processes that are no longer viable and no longer required. This simply did not make sense. With the cbs approach, the core business processes were first audited for their future viability.

80 percent of the processes were transferred to the new S/4 system because of their high maturity level. The remainder were either adjusted or completely redesigned based on business requirements; in other words, preserving what worked and replacing what did not. Viessmann was selective, focusing only on changing processes that would bring real added value for its business model. This meant that the company could expect to gain significant leverage from S/4 from the outset.

It was clear to the project mana-

gers at Viessmann that if they wanted to standardize their processes on an international level, central control was essential. As head of IT Dörnbach explains: "It was important to us that the global standards be followed consistently across the entire group. We therefore appointed global process owners, whose job it was to ensure consistent process standards throughout the company."

An SAP ERP system with one client for all group companies

The SAP ERP system is the central component of the international system landscape at Viessmann: 190 company codes and one client, to which all 6,000 users across 34 countries have access. 26 different languages also had to be accommodated.

The transformation project was broken down into separate phases. The first was the S/4HANA process analysis, during which all the business processes were analyzed to determine their compatibility with S/4. User experience, processes, and applications were the main areas of focus during this step. One focus point was the extent to which mobile user interfaces (SAP Fiori) could be used at Viessman to improve user friendliness and simplify processes. Another was an evaluation as to whether embedded analytics could be used for specific functional areas. The objective was also to identify optimization potential and replace Viessman-specific process characteristics with standard SAP ones. A further objective was to identify which genuine business benefits (added value) could be achieved with S/4HANA innovations. Yet another was to simplify and reduce the size of the application landscape.

ONE
Global ERP

190
Company Codes

78
Sales Companies

Obsolete add-ons and unwanted in-house developments were not carried over. All outdated and redundant solutions would be replaced by standard SAP features.

The next phase was the business partner implementation and rollout of the new general ledger (New G/L).

The final step was to migrate all data from the old ECC6 system to S/4 in a 'big bang' go-live over a single weekend, transferring more than ten years of history, in parts, over to the new system. The migration was in fact completed one day earlier than planned.

Selective data transition with no technical restrictions

The technical approach for the selective data transition was as follows:

First, an S/4 system was set up. Relevant Customizing was transferred and adjusted to S/4, including any relevant in-house developments. Finally, the data migration and go live all happened in one big bang. All data was trans-

ferred from the source system to the new S/4 system using standard software, cbs ET Enterprise Transformer for SAP S/4HANA® – a minimally-invasive, near-zero downtime procedure without any lengthy interruption of ongoing operations. cbs ET is the world's first standard software that enables holistic and flexible transition of existing process and system landscapes to S/4.

Big bang go-live

For the go-live, a total of 28 production units in 34 countries as well as 78 international sales organizations were migrated to SAP S/4HANA. In scope were more than 6,000 business objects, approximately 37,000 SAP tables and 190 company codes, including 30 billion data records in total. More than 6,000 users worldwide were affected by the transition.

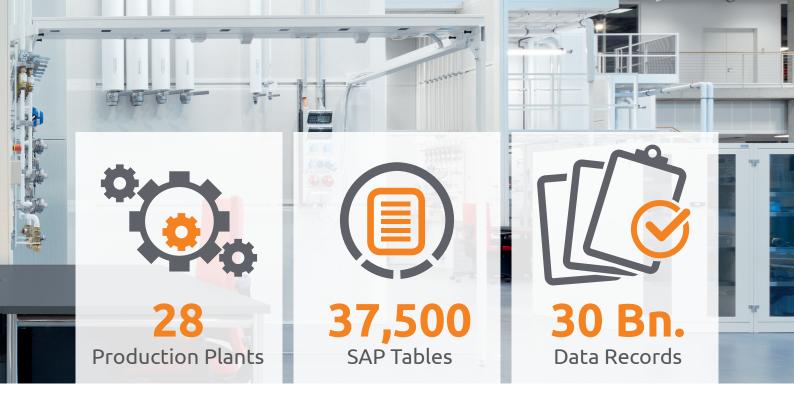The transfer included all the SAP modules: FI, AM, CO, MM, WM, PP, SD, HCM, CS, PS, QM, and PM.

It couldn't have gone more smoothly. "In retrospect, I must say that it was the calmest transition that I have so far experienced in my entire IT career. In the morning af-

ter the go-live, we were expecting incidents, but nothing happened. All the processes in S/4 worked perfectly from the outset. Production, shipping, and warehousing – every department was able to continue at full capacity without interruption," reports Viessmann IT Service director, Dörnbach. In the new S/4HANA system, the users were able to pick up where they had left off prior to the go-live weekend; continuing to work on the same purchase orders, deliveries, invoices, and projects that they had been working on in the old system.

Lighthouse project for the manufacturing industry

This new, selective, customer-specific migration approach has clearly proven its worth. "This project is pioneering. It demonstrates that global S/4 transformation projects do not have to take several years and that they can genuinely add value to the business.

Establishing global standards in record time, implementing digital innovations on a selective basis and migrating an entire company to a new S/4 platform in only a few months is truly smart and really

28	**37,500**	**30 Bn.**
Production Plants	SAP Tables	Data Records

raises the bar. This project will serve as a blueprint for future S/4 migrations," emphasizes Rainer Wittwen, member of the Board of Management at cbs.

Low-cost, high-speed implementation

The success of the project was attributable to a number of different factors: 1. The close, interdisciplinary cooperation between the process owners, key users, Viessmann IT Service and cbs consultants, 2. a concerted focus on business processes, 3. the intensive preparation and repeated testing of end-to-end processes in S/4, 4. the support and governance by the highest levels of management, and 5. the integrated project management with time and risk management.

The secret to its success was the transformation strategy. "The cbs s.m.a.r.t. approach significantly reduced both implementation time and cost. What's more, this selective migration permitted a direct transition to S/4HANA without any technical restrictions," underscores Viessmann IT Service director Dörnbach.

Considerable benefits and potential of SAP S/4HANA

The Viessman project managers were delighted with how well everything went. "We now have fully integrated digital business processes across the whole company. Our future platform 2025 is in place," Dörnbach continues.

Viessmann is benefiting from clear process improvements, tangible efficiency gains in many business areas, and a greatly simplified overall IT infrastructure. With the new ERP platform, critical spare parts are now available sooner thanks to internal prioritization in the event of bottlenecks. This results in less warehouse stock, leading to greater savings potential. All these benefits are also contributing to greater satisfaction among Viessmann customers.

Viessmann has also implemented innovations such as integrated business planning (IBP) and MRP live (material resource planning). In MRP, for example, processing time has been drastically reduced from six hours to just 50 minutes, representing a time saving of 86 percent. This, in turn, means that processes within the supply chain can

be harmonized more quickly and accurately, allowing Viessmann to improve its logistics service level.

Successful cooperation between partners

Last, but not least, the success of the project was also attributable to the close cooperation between all partners. "The cooperation with cbs was excellent. It was a partnership of equals with extremely short lines of communication. cbs demonstrated its expertise as a leader in quality and a pioneer in complex, high-speed S/4HANA transformations, and proved itself a highly valued partner. The custom project approach was truly groundbreaking and brought us an important step forward," sums up Dörnbach.

„It was the calmest transition I have ever experienced in my career in the corporate IT. All processes in S/4 worked well from the beginning.“

Dr. Harald Dörnbach
Managing Director Viessmann IT Service GmbH

s.m.a.r.t.™

cbs s.m.a.r.t. Approach

A transition to SAP S/4HANA comprises many different dimensions. Every company wants to combine the greenfield and brownfield approaches – that is, to create something new, but also keep aspects that have proven valuable. But especially for large, international companies that run SAP, a dedicated, individual mix of the two approaches is called for. With the cbs s.m.a.r.t. portfolio, companies receive precisely the custom approach they require to accompany their journey to S/4HANA, helping them to implement their project within the shortest period of time.

ET® cbs Enterprise Transformer SAP S/4 HANA®

cbs Enterprise Transformer

Data migration redefined: cbs Enterprise Transformer® for SAP S/4HANA® is the world's first comprehensive standard software that enables a holistic and flexible transition of existing process and system landscapes to the solution and data structures of S/4HANA.

From different SAP ERP source releases, without any restrictions, and without interrupting day-to-day operations.

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